



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING



JENNIFER M. GRANHOLM  
GOVERNOR

MICHAEL P. FLANAGAN  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

April 2, 2007

**TO:** State Board of Education  
**FROM:** Michael Flanagan, Chairperson  
**SUBJECT:** Legislative Update

**Executive Order 2007-3**

Both the House and the Senate Appropriations Committees have approved the Governor's recent Executive Order (EO 2007-3) of budget cuts. Spending reductions total \$344.6 million, with \$274,245,000 cut in GF/GP and \$70,383,100 cut in special purpose funds.

The Department of Education is cut by \$313,800 (GF/GP), which is 4.8 percent of the FY 07 Year-To-Date funding (\$6,592,500). This cut is \$33,600 more than the last EO which, as you know, wasn't adopted.

- \$175,000 is cut from the Best Practices Study.
- The rest of the cuts are through rate reductions:
  - \$3,300 from Information technology services.
  - \$33,600 is from Retirement Rate Reduction - Defined Benefits-Health Advance Subaccount Contribution.
  - \$101,900 is from Retirement Rate Reduction - Defined Benefits - Rate Reduction.

**Senate Activity**

The Senate response to the Governor's Executive Order was two fold: they approved the EO and passed two negative supplemental bills, one for GF/GP funding and one for School Aid funding

In the GF/GP Negative Supplemental bill (SB 220), the Senate Republicans cut an additional \$85,400 from the Department of Education. This would be in addition to the funding cut in the Governor's EO. Half of the Senate's cut is specifically from the State Board/Superintendent operations line item (\$42,700). The other half is from Central Support.

**STATE BOARD OF EDUCATION**

KATHLEEN N. STRAUS – PRESIDENT • JOHN C. AUSTIN – VICE PRESIDENT  
CAROLYN L. CURTIN – SECRETARY • MARIANNE YARED MCGUIRE – TREASURER  
NANCY DANHOF – NASBE DELEGATE • ELIZABETH W. BAUER  
REGINALD M. TURNER • CASANDRA E. ULBRICH

608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909  
www.michigan.gov/mde • (517) 373-3324

The following cuts are in the Senate Republican's School Aid negative supplemental (SB 221):

- \$34 per pupil proration - \$57.4 million
- \$2.5 million cut to ISDs
- \$5 million cut to categoricals
- \$10 million cut to Lottery Advertising
- Durant and School Bond Loan Fund - Debt Finance Restructuring - \$40.5 million
- Retirement Changes - \$262 million

### **House Activity**

The House Appropriations Committee approved the Governor's EO and is continuing its discussions of the various budget revenue proposals.

**MDE and School Aid Budgets** – The Subcommittee on the MDE and School Aid budget bills (House Bills 4346 and 4359, respectively) is expected to report these bills the first week of April. No additional detail as to the changes from the Governor's recommended budget is available at the time of this writing.

**Anti-Bullying Legislation** – The House has now passed the Anti-Bullying legislation (HBs 4162 and 4091). Rather than enumerating the examples of characteristics that can be included in a local district's anti-bullying policy, the definition of bullying and harassment in the bill specifically references the definition of those terms as adopted by the State Board of Education on September 12, 2006, in its Model Anti-Bullying Policy. Thus, while the characteristics are not enumerated in the bill, the bill references a document that does enumerate them.

There is some question about the ability of the sponsors to get the bill through the Senate. As this is an issue about which the State Board of Education has already adopted a position, it will be helpful to have your voices offered in support of the anti-bullying efforts within the Senate. Your experience and insight prove valuable in helping to move this forward.

If you have any questions or concerns, please contact myself, or Lisa Hansknecht, Legislative Director at 517-241-4993.